



Lessons Learned Record of Interview

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Candace Rondeaux, Brittany Gates				
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<ul style="list-style-type: none"> • OMB procedures and strategic budgeting • Foreign Military Financing (FMF) • Rate of appropriation and total budgetary resources • Apportionment • Recoveries • Analytical modeling • Global Security Contingency Fund 				

FMF

Foreign Military Financing (FMF)/Foreign Military Sales (FMS) are a way for the State Department and DOD to put money in account to be spent collectively. While State chooses the programs to use the money, DOD carries out the spending. So the spending is not State's fault or problem. The problem is with the Defense Security Cooperation Agency (DSCA). The obstacles are at DSCA with regards to the recipient and generator of funds within FMS, not with State: State does not and cannot do it. The FMF problems with State have to do with DSCA and SCA (South and Central Asia Division) and the service procurement architecture.

(b)(3), (b)(6), (b)(7)(C)

You have to look into how slow the DSCA operates as well as the capacity of staff involved. The infrastructure of PMs has shrunk down to over 2/3 and case officers that handle and do this stuff are limited. DSCA was created to be a long-term planning mechanism. It is not designed to be a rapid-response mechanism and capacity doesn't exist to make it rapid response.

Record of Meeting (Continued)

Two problems exist with FMF, a front-end and a back-end. The front-end problem is that it is now routinized and a form of entitlement for countries (such as Jordan, Egypt, etc). So rather than having a strategy, it has become a country-by-country entitlement. It should be taken seriously as a strategy. It's a problem on the back-end because it was never evaluated. No one ever stopped to ask what is it we want, and if we got it. There was/is no performance management. So the fundamental problem with FMF is not the slowness of State or DSCA; which is similar to Section 1206 Train and Equip. How can State use FMF in a more agile-way? Change the objectives of FMF.

Rate of Appropriation and Total Budgetary Resources

Look closely at the U.S. state of relationship with Karzai over time. I would hypothesize that it may tell you more than the rate of appropriation/total budgetary resources alone. You may find that the money coincides with possible NSC/OMB discussion or strategy with the agencies. A possibility is the NSC Coordinator to DOD/DSCA Director to not apportion the money too fast and to see how it works out.

The DSCA internal rates of obligations to disburse are another part to look. If a slowdown in obligations were to occur, it could have been because the rates of spending were low.

It would be best to talk to appropriations committee staffers on the possible Congressional input or what the staffers knew of the obligation and spending rates. They may have had a transparent look in order to change appropriation rate. Speak to Nicole Duresta now at Cassidy and Company, worked 10-15 years as a staffer for the Senate for Defense Appropriations Committee.

(b)(5)

(b)(3), (b)(6), (b)(7)(C)

(b)(5)

(b)(5)

Apportionment

OMB uses its apportionment authority to index, slowdown and evaluate spending. Letters of apportionment are issued from OMB to Treasury – telling Treasury to disburse up to X amount of money appropriated in Y agency's account. OMB will hold onto apportionment and can use it as a tool to get the performance they want.

Recoveries

Find the appropriators, the ones who worked on the defense appropriations committees in both the House and the Senate. Find them because they are the ones that can claw back funding and not allow the agencies to be able to obtain recoveries of expired funds. They also see when mismanagement is in play. These two staffers are very knowledgeable:

- (b)(6), (b)(7)(C) – Senate Defense Appropriations Committee
- (b)(6), (b)(7)(C) – House Defense Appropriations Committee

Analytical Modeling

What is needed for future planning is analytical modeling against past experience. State does not do this nor do they have the capacity to do it. Rob Goldberg, Former Director, Office of U.S. Foreign Assistance Resources (2010-2014); also Deputy Associate Director for International Affairs at the OMB (2005-2010), tried to help State with collecting metrics of performance so that projections can be created for the strategic planning of funds.

Global Security Contingency Fund

Some people to talk to who would have a lot more information about the global security contingency fund:

Record of Meeting (Continued)

- (b)(3), (b)(6), (b)(7)(C) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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